

Amendment to Purchase Order Number 6044203 with Concept Naval Experts Maritimes Inc. for Contract Administration Services for the Construction and Delivery of Two (2) Electric Ferries and Associated Shore-side Infrastructure for Parks, Forestry and Recreation

Date: June 17, 2024

To: General Government Committee

From: General Manager, Parks Forestry and Recreation and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to request authority to amend Purchase Order Number 6044203 with Concept Naval Experts Maritimes Inc. in order to provide contract administration services for the construction of new City of Toronto Marine Services Passenger and Vehicle Vessels and support services for associated shoreside infrastructure work.

The purchase order amendment is requested to provide additional contract administration services to address the additional stakeholder-informed functional and engineering designs of the vessels and the associated shore-side infrastructure that will support the development of the new ferries, their planned delivery in 2026 and 2027 and shoreside infrastructure compatibility, as part of the City's Ferry Replacement Project. The procurement of the new ferry vessels will be the subject of a separate staff report.

The total value of the purchase order amendment being requested is \$3,503,000 net of applicable taxes and charges (\$3,564,653. net of Harmonized Sales Tax recoveries), revising the current purchase order from \$5,843,221 net of all applicable taxes and charges (\$5,946,062 net of Harmonized Sales Tax recoveries) to \$9,346,221 net of all applicable taxes and charges (\$9,510,715 net of Harmonized Sales Tax recoveries).

RECOMMENDATIONS

The General Manager, Parks, Forestry and Recreation and the Chief Procurement Officer recommend that:

1. The General Government Committee, in accordance with Section 71- 11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law) grant authority to enter into the necessary amending agreement on terms and conditions satisfactory to the General Manager, Parks, Forestry and Recreation and in a form satisfactory to the City Solicitor, to increase the value and term of Purchase Order Number 6044203 with Concept Naval Experts Maritimes Inc. for construction administration services for the delivery of new Toronto ferries, including associated shoreside support services for infrastructure by an additional amount of \$3,503,000 net of applicable taxes and charges (\$3,564,653 net of Harmonized Sales Tax recoveries), increasing the current Purchase Order Value from \$5,843,221 net of all applicable taxes and charges (\$5,946,062 net of Harmonized Sales Tax recoveries) to \$9,346,221 net of all applicable taxes and charges (\$9,510,715 net of Harmonized Sales Tax recoveries).

FINANCIAL IMPACT

The total value of the purchase order amendment identified in this report is \$3,503,000 net of all applicable taxes and charges (\$3,564,653 net of Harmonized Sales Tax recoveries). This will increase the current purchase order value from \$5,843,221 net of all applicable taxes and charges (\$5,946,062 net of Harmonized Sales Tax recoveries to \$9,346,221 net of all applicable taxes and charges (\$9,510,715 net of Harmonized Sales Tax recoveries).

Funding is included in Parks, Forestry and Recreation's 2024 Capital Budget and 2025-2033 Capital Plan as summarized in Table 1 below:

Table 1: Financial Impact Summary

| WBS Element | Project Description | 2024 | 2025 | Total (Net of HST Recoveries) |
|--------------|-------------------------|-------------|-------------|-------------------------------|
| CPR126-45-08 | Ferry Fleet Replacement | \$1,001,500 | \$2,563,153 | \$3,564,653 |

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact section.

DECISION HISTORY

At its meeting on May 1, 2024, General Government Committee approved a Purchase Order Amendment of \$1,302,500 net of applicable taxes and charges (\$1,325,424 net of Harmonized Sales Tax recoveries), revising the current purchase order from

\$4,540,721 net of all applicable taxes and charges (\$4,620,638 net of Harmonized Sales Tax recoveries) to \$5,843,221 net of all applicable taxes and charges (\$5,946,062 net of Harmonized Sales Tax recoveries), and to extend the contract term from December 31, 2025 to March 31, 2027 for the completion of the contract.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.GG12.5>

At its meeting on February 14, 2024, City Council approved the 2024-2033 Capital Budget and Plan for Parks, Forestry and Recreation through item MPB15.1 (69) and additional funds of \$10,000,000 for Ferry Fleet Replacement.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.MPB15.1>

At its meeting on January 14, 2022, General Government and Licensing Committee approved a Purchase Order Amendment of \$2,689,565 net of applicable taxes and charges (\$2,736,901 net of Harmonized Sales Tax recoveries), revising the Purchase Order value to \$4,540,721 net of all applicable taxes and charges (\$4,620,638 net of Harmonized Sales Tax recoveries).

<https://secure.toronto.ca/council/agenda-item.do?item=2022.GL28.1>

At its meeting on March 5, 2019, General Government and Licensing Committee approved a Purchase Order Amendment of \$767,364 net of applicable taxes and charges (\$780,870 net of Harmonized Sales Tax recoveries), revising the Purchase Order value to \$2,041,720 excluding all applicable taxes and charges (\$2,077,654 net of Harmonized Sales Tax recoveries).

<https://secure.toronto.ca/council/agenda-item.do?item=2019.GL2.7>

At its meeting on February 12, 2018, City Council approved the 2018 Capital Budget for Parks, Forestry and Recreation through item EX31.2 (20a.i.) and additional funds of \$1,500,000 for Replacement of Ferry Boat Number 1.

<https://secure.toronto.ca/council/agenda-item.do?item=2018.EX31.2>

At its meeting on August 3, 2016, Bid Committee adopted item BD94.11 to award Request for Proposal Number 9117-15-0142 for the total design and construction support services for the construction of a new City of Toronto Marine Services passenger and vehicle vessel and an optional second ferry for a total potential contract award, including all options, of \$1,274,356 net of all applicable taxes and charges (\$1,296,785 net of HST recoveries) to Concept Naval Experts Maritimes Inc.

<https://secure.toronto.ca/council/agenda-item.do?item=2016.BD94.11>

At its meeting on March 10, 2015, adopted Parks, Forestry and Recreation's 2015 Capital Budget through item EX3.4 (23a.i.) and \$11,000,000 for the Replacement of Ferry Boat Number 1.

<https://secure.toronto.ca/council/agenda-item.do?item=2015.EX3.4>

COMMENTS

The City maintains and operates a ferry fleet of four primary vessels (the Ongiara, the William Inglis, the Sam McBride, and the Thomas Rennie) and one heritage vessel (the Trillium). Together, they transport approximately 1.4 million passengers and over 5,000

vehicles each year. Despite regular maintenance, the aging fleet faces challenges in reliability, safety and the inability to incorporate modern advancements like accessibility and energy efficiency.

To address these issues, the City is advancing the Toronto Island Ferry Replacement Project to replace the Ongiara and the Inglis with two new fully electric ferry vessels. The construction procurement will be the subject of a separate staff report.

The original purchase order was issued to Concept Naval Experts Maritimes Inc. on August 3, 2015, in the amount of \$1,274,356 net of all applicable taxes and charges (\$1,296,785 net of Harmonized Sales Tax recoveries) for the provision of design and construction support services for the delivery of a passenger/vehicle vessel, and a passenger vessel.

Prior Purchase Order Amendments are outlined in Attachment 1.

This is the fourth purchase order amendment in the amount of \$3,503,000 net of applicable taxes and charges (\$3,564,653 net of Harmonized Sales Tax recoveries) and is required to address additional items not included in the original Purchase Order, covering contract administration for the vessels and shoreside infrastructure supporting electrification, as well as services required for the construction and installation phases. These additional requirements include modifications for the functional design and general arrangement of the new passenger vessel and retention of the supervisory team throughout the entire design-construction-engineering phases for both vessels.

This purchase order amendment also addresses the additional detailed designs of civil and electrical engineering, dolphin system for vessels stabilization while moored, tender documentation, permits and contract administration for the shoreside infrastructure at four dock locations of the Jack Layton Ferry Terminal. This ensures that the physical shoreside infrastructure is fully compatible with the new ferries ahead of their arrival and capable of supporting their day-to-day operational performance.

The functional and technical design work for the shoreside infrastructure is anticipated to be completed by the fourth quarter of 2024, followed by the issuance of a tender call. The shoreside infrastructure construction is to be completed prior to the arrival of the first fully electric vessel.

It is the opinion of City staff that the costs submitted by Concept Naval for the requested amendment are considered fair and reasonable, in keeping with the terms and conditions of Request for Proposal Document Number 9117-15-0142.

The Fair Wage Office has reported that the vendor identified in this report indicates that it has reviewed and understands the City of Toronto Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

CONTACT

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SIGNATURE

Howie Dayton
General Manager, Parks, Forestry and Recreation

Geneviève Sharkey
Chief Procurement Officer

ATTACHMENTS

Attachment 1: Table 1 – Purchase Order Amendments since 2019

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| Timeline | Total | Reason |
|--------------|--|--|
| March 2019 | \$767,364 net of all applicable taxes and charges (\$780,870 net of Harmonized Sales Tax recoveries) | To provide additional design and construction support services, and to extend the agreement term to expire December 31, 2022. |
| January 2022 | \$2,689,565 net of all applicable taxes and charges (\$2,736,901 net of Harmonized Sales Tax recoveries) | To provide additional design and construction support services required to advance an electric version of the design, shoreside infrastructure required to support the full electrification of the vessels, and to extend the agreement term to December 31, 2025. |
| May 2024 | \$1,302,500 net of all applicable taxes and charges (\$1,325,424 net of Harmonized Sales Tax recoveries) | To provide additional design and construction services to provide modifications to the passenger vessel informed by stakeholder feedback, environmental in water work, geotechnical investigations, and shoreside infrastructure to support the full electrification of the vessels. This amendment also extends the purchase order delivery date to March 31, 2027. |